

PLEASANTON TOWNSHIP
MANISTEE COUNTY

BEAR LAKE, MICHIGAN

Audit Report

For Year Ended
March 31, 2007

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PLEASANTON TOWNSHIP
TABLE OF CONTENTS

Page No.

1	<u>INTRODUCTORY SECTION</u>
2	Independent Auditor's Report on Internal Control Structure and Compliance Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with Government Auditing Standards
3	<u>FINANCIAL SECTION</u>
4-5	Independent Auditor's Report
6-7	Management's Discussion and Analysis
8	Statement of Net Assets
9	Statement of Activities
10	Balance Sheet - Governmental Funds
11	Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
12-15	Notes to Financial Statements
16	<u>SUPPLEMENTAL DATA SECTION</u>
17	Report Letter
18	Required Supplemental
19	<u>General Fund</u>
20-23	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget vs. Actual General Fund
24	Other Supplemental
25	Balance Sheet General Fund
26	Statement of Revenues, Expenditures and Changes in Fund Balance General Fund
27	<u>Special Revenue Fund</u>
28	Balance Sheet - Fire Fund
29	State of revenues, Expenditures & Changes in Fund Balance - Fire Fund
30	<u>Component Unit</u>
31	Balance Sheet- Library
32	State of revenues, Expenditures & Changes in Fund Balance - Library

INTRODUCTORY SECTION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Pleasanton Township
Bear Lake, MI

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pleasanton Township as of and for the year ended March 31, 2007, which collectively comprise the Pleasanton Township's basic financial statements and have issued our report thereon dated January 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pleasanton Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pleasanton Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pleasanton Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Pleasanton Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Pleasanton Township's financial statements that is more than inconsequential will not be prevented or detected by the Pleasanton Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Pleasanton Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pleasanton Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Pleasanton Township, in a separate letter dated January 6, 2009.

This report is intended solely for the information and use of management, Township board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

 CPA

Interlochen, MI
January 6, 2009

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Pleasanton Township
Bear Lake, MI

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pleasanton Township, as of and for the year ended March 31, 2009 which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pleasanton Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pleasanton Township, as of March 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 6 through 7 and 21 through 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pleasanton Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Interlochen, MI
January 06, 2009

PLEASANTON TOWNSHIP
MANISTEE COUNTY
Management's Discussion and Analysis

This discussion and analysis provides an overview of the Township's financial activities for the fiscal year ended March 31, 2007. Please read it in conjunction with the Township's financial statements.

Financial Highlights:

- The Township's combined net assets increased 19% from a year ago - rising from \$118,283 to \$141,345.

Using this Report:

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Fund Financial Statements present a short-term view; they tell us how the taxpayer's resources were spent during the year, as well as how much is available for future spending. Fund Financial Statements also report the Township's operations in more detail than the Government-Wide Financial Statements by providing information about the Township's most significant funds. The Fiduciary Fund Statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township's Most Significant Funds:

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of funds.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where the Township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the

governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Township's Funds:

Our analysis of the Township's major funds begins in the supplemental data following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund pays for most of the Township's governmental services. The amount transferred from the General Fund for Fire Services is supported by a special millage for Fire Protection services.

Capital Asset and Debt Administration:

The Township has invested significantly in major and local roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law which makes these roads the property of the County Road Commission (along with the responsibility to maintain them).

Economic Factors and Next Year's Budgets and Rates:

Pleasanton Townships 2007-2008 budget calls for the allocated millages to support general, fire, cemetery. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value by less than inflation, the mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

General Over view of the Accomplishments of Pleasanton Township in the 2006-2007 Fiscal Year:

Pleasanton township has managed to maintain general budget constraints and guidelines given light that the State of Michigan has reduced the annual revenue sharing allocations.

Contacting the Township's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the treasurer at (231) 864-2584.

PLEASANTON TOWNSHIP, MANISTEE COUNTY
STATEMENT OF NET ASSETS
MARCH 31, 2007

	Primary Government		Component Unit	
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
Cash, investments and cash equivalents	\$161,857	\$0	\$161,857	\$11,725
Receivables (net)	0	0	0	
Prepaid Expenditures	0		0	
Internal balances	0	0	0	
Inventories			0	
Capital Assets, net	70,000	0	70,000	
Total Assets	231,857	0	231,857	11,725
LIABILITIES				
Accounts payable	20,512	0	20,512	
Deferred revenue	0	0	0	
Due to Other Agencies	0	0	0	
Noncurrent liabilities			0	
Due within one year	0	0	0	
Due in more than one year	0	0	0	
Total Liabilities	20,512	0	20,512	0
NET ASSETS				
Invested in capital assets, net of related debt	70,000		70,000	
Restricted for:				
Capital projects			0	
Road Projects	30,000		30,000	
Debt Service		0	0	
Unrestricted (deficit)	111,345	0	111,345	11,725
Total Net Assets	211,345	0	211,345	11,725
Total Liabilities and Net Assets	\$231,857	\$0	\$231,857	\$11,725

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		Component Unit Library Activities
					Primary Governmental Activities	Business-type Activities	
Primary government							
Governmental activities:							
Legislative	\$31,208	\$0			(\$31,208)		(\$31,208)
General government	50,371	0			(50,371)		(50,371)
Public safety	33,728	3,680			(30,048)		(30,048)
Public works	47,544	1,100			(46,444)		(46,444)
Health and Welfare	0				0		0
Community and Economic Development	0				0		0
Recreation and Culture	0				0		0
Other	0				0		(2,346)
Interest on Long Term Debt	0				0		0
Total Governmental Activities	162,851	4,780	0	0	(158,071)	0	(158,071) (2,346)
Business Type Activities	0	0				0	0
Enterprise Funds	0	0				0	0
Total Primary Government	162,851	4,780	0	0	(158,071)	0	(158,071) (2,346)
General revenues:							
Taxes							
Property Taxes-general					85,514	0	85,514 2,400
Property Taxes-debt service					0		0
State-Shared Revenues					58,434		58,434
Unrestricted Investment Earnings					6,020	0	6,020 136
Franchise taxes					0		0
Contributions					0		0
Miscellaneous					23,599	0	23,599 400
Transfers					0	0	0
Total General Revenues-Special Items and Transfers					173,627	0	173,627 2,936
Changes in Net Assets					15,556	0	15,556 590
Net Assets - Beginning					150,258	0	150,258 11,135
Net Assets - Ending					\$165,814	\$0	\$165,814 \$11,725

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	General Fund	Fire Fund	Total	Component Unit
ASSETS				
Cash, investments and cash equivalents	\$114,364	\$47,493	\$161,857	11,725
Receivables (net)	0	0	0	
Prepaid Expenditures	0		0	
Internal balances	0	0	0	
Inventories			0	
Capital Assets, net			0	
Total Assets	114,364	47,493	161,857	11,725
LIABILITIES				
Accounts payable	20,512	0	20,512	0
Internal balances	0			0
Accrued payables	0			0
Deferred revenue	0	0	0	0
Noncurrent liabilities:			0	0
Due within one year			0	
Due in more than one year			0	
Total Liabilities	20,512	0	20,512	0
NET ASSETS				
Invested in capital assets, net of related debt				
Restricted for:			0	
Capital projects			30,000	
Road Projects	30,000		0	
Debt Service				
Unrestricted (deficit)	63,852	47,493	111,345	11,725
Total Net Assets	93,852	47,493	141,345	11,725
Total Liabilities and Net Assets	\$114,364	\$47,493	\$161,857	\$11,725

Amounts reported for Governmental Funds Balance Sheet are different because:

Balance per above	\$141,345
Add Capital Assets	70,000
Less Long Term Debt	0
Balance per Governmental Funds Balance Sheet	\$211,345

PLEASANTON TOWNSHIP, MANISTEE COUNTY
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2007

	General Fund	Fire Fund	Total Governmental Funds	Component Unit
Revenues				
Taxes and Penalties	\$66,673	\$18,841	\$85,514	\$2,400
Licenses and Permits	1,100		1,100	
Federal Grants			0	
State Grants	58,494		58,494	
Charges for Services	3,680	0	3,680	
Fines and Forfeits			0	
Interest and Rentals	6,020	0	6,020	136
Other Revenue	23,599	0	23,599	400
Total Revenues	159,566	18,841	178,407	2,936
Expenditures				
Current				
Legislative	31,208		31,208	
General Government	50,371		50,371	
Public Safety	21,428	12,300	33,728	
Public Works	47,544	0	47,544	
Health and Welfare			0	
Recreation and Cultural			0	
Other	23,016		23,016	2,346
Capital Outlay			0	
Debt Service	0		0	
Total Expenditures	173,567	12,300	185,867	2,346
Excess of Revenues Over (Under) Expenditures	(14,001)	6,541	(7,460)	590
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Bond Proceeds	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(14,001)	6,541	(7,460)	590
Fund Balance April 1, 2006	107,853	40,952	148,805	11,135
Fund Balance March 31, 2007	\$93,852	\$47,493	\$141,345	\$11,725

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds		(\$7,460)
Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimate useful lives as depreciation	\$0	
Repayment of bond interest is an expenditure in governmental funds, but not in the statement of activities	0	
Changes in compensated absences are recorded when earned.	0	
Change in Net Assets of Governmental Activities		(\$7,460)

**PLEASANTON TOWNSHIP
FOOTNOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. Reporting Entity

Pleasanton Township is located in Manistee County, Michigan. The Township is governed by an elected five member board. Services are provided to approximately 850 residents and include fire protection and general community enrichment services. The criteria established for determining the various agencies and boards to be included in the Township's general purpose financial statements depends on the extent such agencies and boards are a part of, controlled by or dependent on the Township. The criterion used to determine the reporting entity, "is the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials."

B. Summary of Significant Accounting Policies

Basis of Presentation

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Basis of Accounting

Basis of Accounting refers to how revenue and expenditures or expenses are recognized in the account and reported in the financial statements. The basis of accounting, as required under generally accepted accounting principles, varies for each fund.

General, special revenue, capital projects and trust and agency funds should be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

Enterprise funds should be accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized in the accounting period in which it is earned and becomes measurable. Expenses are recognized in the accounting period incurred, if measurable. Pleasanton Township has no enterprise funds.

The accounting policies of Pleasanton Township conform to generally accepted accounting principles and include the following fund types

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of fund.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas wherein the township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the township.

3. GASB 34

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, as amended, the Township has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

C. Budgets and Budgetary Accounting

The general fund and enterprise fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis the same as the modified accrual basis used to reflect operations and include those amounts formally appropriated by the Township Board.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

2. Excess of Expenditures over Appropriations

The local unit shall not incur expenditures in excess of appropriations. This also requires a disclosure of all such functional areas which exceeded budget. As such, a budgeted statement is included in the supplementary data portion of these financial statements.

3. Financial Control of Funds

As authorized by Act 20. Public Act of 1943, as amended, states that the Township, by resolution may authorize its treasurer to invest surplus funds in the following manner:

1. Direct obligations of the United States or an agency or instrumentality of the United States.
2. In any account or depository which is a member of the F.D.I.C. or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation, or a credit union which is insured by the National Credit Union Administration.
3. Fifty percent of the funds may be invested in commercial paper rated at the time of purchase within the three highest classifications by not less than two standard rating agencies and which mature not more that 270 days following the date of purchase.
4. In United States Government of federal agency obligations repurchase agreements.
5. In bankers acceptances of the United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment of local units of government in Michigan.

4. Cash and Investments

Deposits of the Township are as authorized by the Township Board. A summary of these accounts and amounts is included in the supplemental data section of this report. All funds of Pleasanton Township have been invested in those depositories or investments as authorized by Michigan Compiled Laws Section 129.91. The balance sheet account for all funds includes all cash, investments and imprest (petty cash) funds.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate the amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>	<u>Bank Value</u>
Insured	\$ 176,898	\$ 161,857
Uninsured	\$ 0	\$ 0

5. Changes in General Fixed Assets

General Fixed Assets have been acquired for general township purposes and at the time of purchase were recorded as expenditures. As a Township policy, assets valued at less than \$2500 are considered to be supplies and are not recorded as fixed assets. All depreciable assets were donated a significant time ago and as such there are no depreciable assets for this presentation.

Addition to this year is the reporting of land that was previously unreported. There is a wooded parcel of approximately 83.9 acres with a basis of \$60,000 and a 1/4 acre on the N/E shore of Bear Lake with a basis of \$10,000.

6. Compensated Absences and Post Employment Benefits

The township does not pay for compensated absences.

7. Contingent Liabilities

There are no known contingent liabilities.

8. Risk Management

The township carries commercial insurance as a protection against risk.

9. Long Term Debt

The Township does not have any Long Term Debt.

10. Taxes receivable

Taxes receivable reflected in the general fund represent delinquent real property taxes and tax administration fees on delinquent real property taxes. Manistee County funds the delinquent tax roll by selling tax notes annually and distributing the proceeds to the governmental units. Accordingly, these delinquent taxes and related fees are recorded as revenue in the current year.

11. Component Units

This year the Bear Lake/Pleasanton Township Library has been added to this Audit as a component unit. The library maintains a separate set of books and bank accounts. All assets associated with this library are owned and maintained by the county of Manistee.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate the amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>	<u>Bank Value</u>
Insured	\$ 11,725	\$ 11,725
Uninsured	\$ 0	\$ 0

SUPPLEMENTAL SECTION

David Wilson CPA

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To the Pleasanton Township Board
Pleasanton Township
Bear Lake, MI

We have audited the combined financial statements of the Pleasanton Township for the year ended March 31, 2007. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.



Interlochen, MI
January 6, 2009

Required Supplemental

GENERAL FUND

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs Actual
General Fund
For the Year Ended March 31, 2007

	Budget Beginning April 01, 2006	Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
<u>Revenue</u>				
Current Property Taxes	\$30,900	\$48,300	\$49,541	\$1,241
Delinquent Tax	4,750	4,750	4,219	(531)
Admin Fees	12,000	12,000	12,913	913
Licenses and Permits	1,500	1,500	1,100	(400)
State Shared Revenues	56,500	56,500	58,494	1,994
Use Fees	0	0	0	0
Charge for Services	1,000	0	3,680	3,680
Earned Interest	1,500	1,500	4,739	3,239
Rents and Royalties	1,000	1,000	1,281	281
Swamp Tax	1,800	1,880	1,881	1
Reimbursements	1,000	1,000	695	(305)
Misc	1,000	2,000	21,023	19,023
Total Revenues	112,950	130,430	159,566	29,136
<u>Expenditure</u>				
Legislative				
Township Board:				
Salaries and Wages	6,000	2,300	2,190	110
Supplies and Maintenance	1,000	1,000	0	1,000
Professional Services	10,500	6,500	2,995	3,505
Mileage	1,400	200	19	181
Printing and Advertising	6,500	8,000	5,918	2,082
Postage	0	0	0	0
Insurance and Bonds	8,000	8,500	13,790	(5,290)
Dues	0	0	0	0
Misc	9,500	8,000	6,296	1,704
Capital Outlay	0	0	0	0
Total Township Board	42,900	34,500	31,208	3,292
General Government:				
Township Supervisor:				
Salaries and Wages	5,550	6,150	6,090	60
Office Supplies	100	100	0	100
Misc	500	500	0	500
Mileage	250	250	120	130
Total Township Supervisor	\$6,400	\$7,000	\$6,210	790

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	<u>Budget Beginning April 01, 2006</u>	<u>Budget Year Ended March 31, 2007</u>	<u>Actual Year Ended March 31, 2007</u>	<u>Variance Favorable (Unfavorable)</u>
Elections:				
Salaries and Wages	\$1,000	\$1,000	\$1,190	(190)
Office Supplies	6,500	1,500	512	988
Mileage	100	100	153	(53)
Misc	320	500	1,542	(1,042)
Capital Outlay	0	0	0	0
Total Elections	<u>7,920</u>	<u>3,100</u>	<u>3,397</u>	<u>(297)</u>
Legal:				
Professional Services	0	0	0	
Total Legal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assessor:				
Contractual	13,150	13,150	8,009	5,141
Supplies	2,000	5,000	672	4,328
Mileage and Travel	260	260	240	20
Misc	125	125	0	125
Capital Outlay	0	0	0	0
Total Assessor	<u>15,535</u>	<u>18,535</u>	<u>8,921</u>	<u>9,614</u>
Clerk:				
Salaries and Wages	8,350	9,950	10,030	(80)
Office Supplies	600	600	593	7
Mileage	100	100	101	(1)
Capital Outlay	0	0	0	0
Misc	200	200	0	200
Total Clerk	<u>9,250</u>	<u>10,850</u>	<u>10,724</u>	<u>126</u>
Board of Review:				
Salaries	800	800	840	(40)
Supplies	50	50	0	50
Education	100	100	120	(20)
Misc	50	150	25	125
Total Board of Review	<u>\$1,000</u>	<u>\$1,100</u>	<u>\$985</u>	<u>115</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	<u>Budget Beginning April 01, 2006</u>	<u>Budget Year Ended March 31, 2007</u>	<u>Actual Year Ended March 31, 2007</u>	<u>Variance Favorable (Unfavorable)</u>
Treasurer:				
Salaries and Wages	\$8,850	\$9,950	\$9,985	(35)
Office Supplies	1,000	1,000	752	248
Telephone	0	0	0	0
Mileage	100	100	0	100
Misc	200	200	5	195
Capital Outlay	0	0	0	0
Printing	0	0	0	0
Total Treasurer	<u>10,150</u>	<u>11,250</u>	<u>10,742</u>	<u>508</u>
Township Hall and Grounds:				
Wages	2,000	2,500	2,430	70
Supplies	0	0	662	(662)
Insurance and Bonds	0	0	0	0
Public Utilities	3,250	3,250	3,239	11
Repairs	3,000	5,000	1,848	3,152
Capital Outlay	0	2,000	0	2,000
Misc.	750	750	1,213	(463)
Total Township Hall	<u>9,000</u>	<u>13,500</u>	<u>9,392</u>	<u>4,108</u>
Total General Government	\$59,255	\$65,335	\$50,371	24,578

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Budget Beginning April 01, 2006	Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Planning				
Salaries and Wages	\$3,900	\$3,900	\$2,965	935
Supplies	350	350	8	342
Mileage	50	50	48	2
Printing	500	1,000	4,826	(3,826)
Misc	8,500	18,000	10,200	7,800
Total Planning	13,300	23,300	18,047	5,253
Zoning Admin:				
Salaries and Wages	3,600	3,600	3,300	300
Supplies	75	75	81	(6)
Mileage	75	75	0	75
Printing	0	0	0	0
Misc	400	300	0	300
Zoning Admin	4,150	4,050	3,381	669
Public Works:				
Roads	10,000	10,000	0	10,000
Street Lights	600	600	558	42
Parks	15,500	9,500	7,793	1,707
Cemetery	8,300	22,800	24,995	(2,195)
Sanitation	17,000	25,000	14,198	10,802
Total Public Works	51,400	67,900	47,544	20,356
Zoning Board of Appeals:				
Salaries	300	300	0	300
Misc	115	215	0	215
Total Zoning Board of Appeals	415	515	0	515
Other Expenses:				
Audit	0	0	0	
Employee Benefits	1,500	1,500	1,704	(204)
Library	1,000	750	800	(50)
Bear Lake Utility	0	0	20,512	(20,512)
Contingency	0	0	0	0
Total Other Expenditures	2,500	2,250	23,016	(20,766)
Total Expenditures	173,920	197,850	173,567	33,228
OTHER FINANCING SOURCES				
Operating Transfers In(Out)			0	
Excess Revenue & Other Financing Uses Over (Under) Expenditures			(14,001)	
Fund Balance - Beginning of Year			107,853	
Fund Balance - End of Year			\$93,852	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Other Supplemental

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Balance Sheet
General Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$114,364
Accounts Receivable	0
Taxes Receivable	0
Due From Other Agencies	0
Due From Other Funds	0
Total Assets	<u>\$114,364</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	\$20,512
Accrued Salaries & Wages	0
Deferred Revenue	0
Due To Other Funds	0
Compensated Absences	0
Total Liabilities	<u>20,512</u>
Fund Balance	
Reserved for Equipment Replacement	0
Reserved for Road	30,000
Unreserved	<u>63,852</u>
Total Fund Balance	<u>93,852</u>
Total Liabilities and Fund Balance	<u>\$114,364</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	General Fund <u>March 31, 2007</u>
<u>Revenue</u>	
Taxes	\$53,760
Admin Fees	12,913
Licenses and Permits	1,100
Charges for Services	3,680
Interest & Rentals	6,020
Other Revenues	21,023
Donations	0
State Shared Revenue	58,494
Cable Franchise Fees	1,881
Reimbursements	<u>695</u>
Total Revenues	159,566
<u>Expenditures</u>	
Current	
Legislative	31,208
General Government	50,371
Planning and Zoning	21,428
Public Works	47,544
Zoning Board	0
Other	<u>23,016</u>
Total Expenditures	<u>173,567</u>
Excess Revenue (Expenditures)	(14,001)
Operating Transfers In (out)	0
Fund Balance - Beginning of Year	107,853
Prior Period Adjustment	<u>0</u>
Fund Balance - End of Year	<u><u>\$93,852</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

SPECIAL REVENUE FUND

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Balance Sheet
Fire Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$47,493
Certificate of Deposit	\$0
Taxes Receivable	0
Total Assets	<u>47,493</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	0
Due to General Fund	0
Total Liabilities	<u>0</u>
Fund Balance	
Reserved for Equipment Replacement	0
Unreserved	47,493
Total Fund Balance	<u>47,493</u>
Total Liabilities and Fund Balance	<u>\$47,493</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Fund

For The Year Ended March 31, 2007

	Actual
<u>Revenues</u>	
Property Taxes	\$17,388
Delinquent Tax	1,453
Interest	0
Grants	0
Miscellaneous	0
Total Revenue	<u>18,841</u>
<u>Expenditures</u>	
Contract Services	12,300
Administrative	0
Insurance	0
Building Maintenance	0
Equipment Supplies	0
Miscellaneous	0
Other	0
Total Expenditures	<u>12,300</u>
Excess Revenues (Expenditures)	6,541
Transfer In (out)	0
Fund Balance - Beginning of Year	<u>40,952</u>
Fund Balance - End of Year	<u><u>\$47,493</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

COMPONENT UNIT

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Balance Sheet
Library

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$11,725
Due From Other Funds (General)	<u>0</u>
Total Assets	<u><u>11,725</u></u>
<u>Liabilities and Fund Balance</u>	
Liabilities	0
Unreserved Fund Balance	<u>11,725</u>
Total Liabilities and Fund Balance	<u><u>\$11,725</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PLEASANTON TOWNSHIP, MANISTEE COUNTY
Statement of Revenues, Expenditures & Changes in Fund Balance
Library Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Taxes	\$2,400
Interest	136
Miscellaneous	<u>400</u>
Total Revenues	2,936
 <u>Expenditures</u>	
Lawn Care	345
Snow Plowing	830
Insurance	1,060
Bank Fees	8
Miscellaneous	<u>103</u>
Total Expenditures	<u>2,346</u>
 Excess Revenue (Expenditures)	590
 Transfer In (Out)	0
 Fund Balance - Beginning of Year	<u>11,135</u>
 Fund Balance - End of Year	<u><u>\$11,725</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

January 6, 2009

To the Township Board
Pleasanton Township

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pleasanton Township for the year ended March 31, 2007, and have issued our report thereon dated January 6, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 6, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Pleasanton Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

We have requested certain representations from management that are included in the management representation letter dated January 6, 2009.

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Township Board and management of Pleasanton Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in blue ink that reads "David Wilson CPA". The signature is written in a cursive, flowing style.

David Wilson CPA